

# CHAPTER 6

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## Assessing Government's Fiscal Instruments to Fund Job Creation Strategies in Rural Areas: The Case of Public Employment Programmes

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Sasha Peters, Poppie Ntaka and Ghalieb Dawood

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## 6.1 Introduction to the Problem

For the past 20 years, unemployment has remained stubbornly above 20% because of sluggish economic growth combined with structural weaknesses in the South African economy. Rural areas are worst affected, particularly in former homeland areas, where unemployment rates are among some of the highest in the world (Klasen and Woolard, 2008). Unemployment imposes huge social and economic costs on society (Philip, 2013). Long-term unemployment erodes human capital and contributes to upward pressure on wages, as the unemployed disengage from the labour market. The structural nature of unemployment combined with the inflexibility of the labour market to absorb the unemployed poor, created the need for a policy response to address a burgeoning crisis.

In response to this unemployment challenge, government initiated a multi-pronged strategy, which includes a large-scale public employment programme (PEP) called the Extended Public Works Programme (EPWP). Introduced in 2004, the EPWP provides short-term temporary "work opportunities" for the unemployed poor. In early 2009, government implemented a second PEP, the Community Works Project (CWP), which provides a minimum employment guarantee and has a different implementation model to that of the EPWP. Proposals are underway to extend the CWP's current minimum employment guarantee from 100 to 180 days, which would then bring into question whether the CWP would still qualify as a PEP that creates short-term work opportunities<sup>31</sup>.

In times of economic downturn, PEPs play a critical role in protecting the poor and vulnerable from the adverse impacts of a slow recovery in the labour market (Brodsky, 2000). If designed properly, PEPs also provide participants with job training and "real world" experience that can help their chances of being absorbed into the formal labour market. In addition, PEPs can be used as a mechanism to deliver essential social and economic services to the public, especially in rural areas where the greatest needs exist.

During the first phase of the EPWP, government spent R50-billion, of which only R6.7-billion (13.5%) went on wages (DPW, 2009b). The largest share of grant funding went to infrastructure-related projects because of this sector's job creation potential. However, there was very little compliance with the Division of Revenue Act (DORA) requirements, which called for the use of labour-intensive construction methods and skills training for participants. This lack of labour-intensity meant a significant amount of the income did not end up in the pockets of the poor (McCutcheon and Taylor Parkins, 2012).

Other criticisms of the EPWP include insufficient attention on rural areas where infrastructure backlogs exist, and an emphasis on employment targets at the expense of providing longer duration employment opportunities (ibid). Another major challenge is the integrated delivery of PEP projects, as the management and implementation of PEPs span all three spheres of the government and various government sectors. An important policy question is whether PEPs lead to a reduction in long-run unemployment.

Despite these concerns, funding to PEPs is growing faster than most budget programmes. The 2016 Medium Term Expenditure Framework (MTEF) allows for significant increases in PEPs: conditional grants are expected to grow by an annual average of 6% for the EPWP and by 14% for the CWP, despite other counter-cyclical measures resulting in total government expenditure growing at 0% over the 2016 MTEF period. This increased funding comes on top of significant funding in previous years and in the context of a fiscally constrained environment. Therefore, it is imperative to assess whether government is getting value for money from these programmes and whether PEPs are an effective livelihood mechanism to support poor households that experience the brunt of the economic slowdown. It is also important to examine whether the programme design encourages the attainment of project outcomes, especially job creation, and whether the incentives in place result in absorption into the formal labour market.

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<sup>31</sup> Short-term work opportunities are defined as temporary or ongoing work provided by contractors, NGOs or government according to the Ministerial Conditions of Employment for EPWP and CWP. In the case of CWP, beneficiaries work for a maximum of 2 days per week on an ongoing basis.

PEPs are implemented in all three spheres of government and therefore have important intergovernmental implications that merit the investigation by the Financial and Fiscal Commission. The specific objectives of this research are:

- To measure the effectiveness of fiscal instruments of PEPs in relation to intended outcomes in rural areas.
- To evaluate access/targeting of PEPs in terms of spatial location.
- To comment on the effectiveness of the intergovernmental delivery models of PEPs to deliver services in rural areas.
- To make recommendations that can enhance the performance of PEPs in rural areas, especially with respect to EPWP and CWP.

## 6.2 Background

The National Development Plan (NDP) identifies job creation as one of the major policy goals over the next 15 years and sets an ambitious target of creating five million new jobs by 2020 and 11 million new jobs by 2030 (NPC, 2011). This implies reducing unemployment to around 14% by 2020 and 6% by 2030 (FFC, 2014). The assumption is that the South African labour market is incapable of correcting

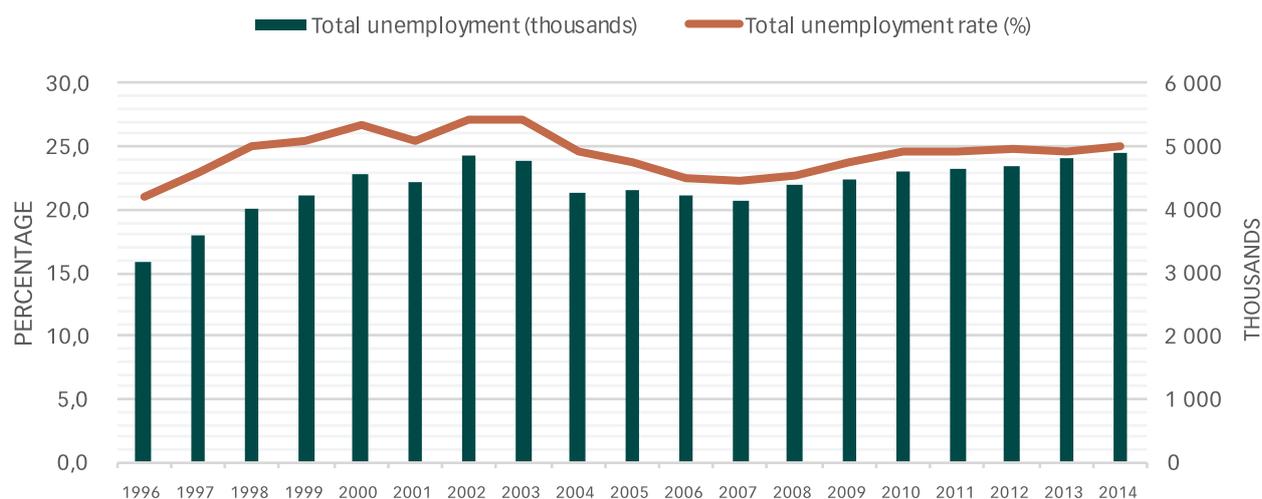
the imbalance between labour supply and demand, and so government has a crucial role to play in implementing active labour market policies to address the unemployment problem. Keynesian economic theory supports this position, although the view that governments should actively correct labour market disequilibrium fell out of favour internationally in the 1970s. With the onset of the global economic recession in 2007, huge job losses globally have resurrected this Keynesian perspective and created a dynamic for government to intervene more actively in the labour market and to move the economy towards full employment.

### 6.2.1 Unemployment and poverty

In the case of South Africa, the persistently high unemployment<sup>32</sup> rate as reflected in Figure 47 suggests the problem is structural because of historical reasons, compounded in rural areas by the lack of essential skills and labour market experience, and the remoteness of rural location from major labour markets (McCord, 2002).

South Africa also has one of the highest youth unemployment rates, at around 50% over the past 10 years, significantly above sub-Saharan Africa and BRICS average (Figure 48).

Figure 47. Unemployment trends in South Africa



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<sup>32</sup> The narrow definition of unemployment rate is referred to here.

<sup>33</sup> Stats SA defines headcount as the share of the total population below the upper bound poverty line. The poverty gap measures the intensity of poverty, while severity is the percentage of the population living below the inflation-adjusted food poverty line.

**Figure 48. Youth unemployment trends in South Africa, sub-Saharan Africa and BRICS\***



Measured against various poverty measures, the economic recession in 2008 had a negative impact on household poverty, as illustrated in Table 34. Despite a strong recovery, poverty's spatial nature is clear – the headcount ratio in rural areas is more than twice that of urban areas and extreme poverty (severity) is more than three times that of urban areas.<sup>33</sup>

Source: ILO (2014); Commission's calculations.

\*The average youth unemployment rates for BRICS exclude South Africa

**Table 34. Poverty measures by settlement type**

Percentage (%)	Headcount Ratio			Poverty Gap			Severity		
	2006	2009	2011	2006	2009	2011	2006	2009	2011
<b>Total</b>	57.2	56.8	45.5	26.7	27.9	19.6	15.4	16.7	10.8
<b>Urban</b>	40.7	41	30.9	16.1	17.6	12	8.3	9.7	6.2
<b>Rural</b>	80.8	83	68.8	41.9	45	31.8	25.6	28.3	18.1

Source: Stats SA (2014)

Poverty is closely associated with unemployment, and most poor households are poor because of the absence of wage income. In addition, shocks to wage income accounts for more than 80% of household mobility into poverty (McCord, 2002). These findings suggest that job creation strategies by government are crucial to improve the overall wellbeing of the rural poor.

### 6.3 Literature Review

#### 6.3.1 Definition of public employment programmes

The literature uses the terms public works programmes and PEPs interchangeably. This report uses the term public employment programme or PEP. These programmes are defined as (McCord, 2008:1):

all activities which entail the payment of a wage (in cash or in kind) by the state or by an agent acting on behalf

of the state, in return for the provision of labour, in order to (i) enhance employment and (ii) produce an asset (either physical or social), with the overall objective of promoting social protection.

Generally, PEPs have three potential welfare effects: a direct effect for those who are employed in a PEP; a labour-market effect, which results from a shift in the demand for labour; and a productivity effect that arises from the investment in public goods (Berg et al., 2015). The size of these effects varies according to the country or project context. Whether these effects are evident in the South African scenario will become clear through the findings of this study.

PEPs are implemented for different and numerous reasons, and come in various time-frames, sizes, targets and implementation models. McCord (2008) provides a useful four-pronged typology of PEPs that emphasises their core features (Table 35).

**Table 35. Typology of PEPs**

<i>Typology</i>	<i>Explanation</i>
<b>Type A: Short-term employment</b>	Implemented in response to temporary disruptions in the labour market or economic shocks; generally implemented in the infrastructure sector.
<b>Type B: Employment guarantee scheme</b>	Often implemented in response to chronic unemployment, with the objective of offering repeated access to employment; implemented either directly by governments or indirectly through the private sector or civil society.
<b>Type C: Labour intensification</b>	Usually implemented in the public infrastructure sector, with the objective of heightening the labour-intensity of public infrastructure development and thereby providing employment opportunities.
<b>Type D: Promotion of employability</b>	Addresses supply-side issues through providing skills and workplace training to improve the employability of workers.

Source: McCord (2008)

Given the different types of PEPs, it is not surprising that these programmes often fulfil multiple objectives. Table 36 illustrates the multiple dimensions within which PEPs

operate, ranging from social protection to the delivery of public (mostly infrastructure) services.

**Table 36. Multiple dimensions within which PEPs operate**

	<b>Social protection</b>	<b>Employment</b>	<b>Delivery of infrastructure services</b>
<b>Macro objective</b>	Provide security and protect vulnerable groups against shocks.	Reduce un- and underemployment/full employment.	Contribute to national/ local growth.
<b>Intermediate objective</b>	Provide a minimum transfer or income security to those defined as in need.	Mobilise surplus labour for productive activities.	Public investment in infrastructure or delivery of services.
<b>Mechanism</b>	Provide a minimum level of income.	Create employment as required.	Improve connectivity and access through infrastructure or services through labour-intensive methods.
<b>Operational focus</b>	Guarantee income.	Create work.	Create assets and services.

Source: Tsukamoto (n.d.)

### 6.3.2 Brief overview of benefits and challenges of PEPs

The challenges associated with PEPs are directly linked to the multiple roles that PEPs play. As alluded to above, they are often required to meet social protection, employment and public service provision objectives. This multiplicity of objectives can serve to dilute the impact of the intervention (Tsukamoto, n.d.). A related challenge is the issue of poor intergovernmental coordination, particularly when it comes to the management of PEPs, which can have a negative impact on the outcomes and effectiveness of the interventions, especially where one government sphere finances and another (subnational) sphere implements the PEP.

### 6.3.3 Key factors to consider in the design of PEPs

#### Targeting

Effective targeting is critical to ensure that PEPs create jobs for the unemployed and the poor. To effectively reach the poor, such interventions or schemes must be designed in a way that incentivises participants to self-select into the schemes (Ravallion, 1991). This is because incentivising self-selection will encourage the poor to participate and deter the non-poor if, for example, the wage rate is low enough for poor individuals to accept but not high enough for the non-poor individuals. PEPs are by design self-targeting schemes because, even if their intention is not to target the poor, they end up reaching the poor, especially

through contributing to poverty alleviation (Antonopoulos, 2007). In contrast, schemes that have poverty as an explicit objective or target certain demographic groups do not always reach the poor or the targeted groups (Teklu and Asefa, 1997). In other words, targeting may serve to exclude many needy individuals, especially if the targeting objectives are too restrictive when selecting people into the programme.

Arguably, the type of targeting used influences the composition of participants, which may also depend on the geographical location and functional focus of PEPs. For instance, urban projects tend to be male-dominated because of the nature of the employment, while in rural areas females may dominate participation in public works projects because of men migrating to work elsewhere (Webb, 1995; von Braun et al, 1992).

### 6.3.4 Delivery models of PEPs

The management of PEPs varies across countries, particularly by region. In most OECD countries, the central government manages PEPs but in countries such as Australia, the Netherlands and Switzerland, quasi-competitive mechanisms<sup>34</sup> are increasingly taking over the management of such schemes (Martin and Grubb, 2001). In Africa, central government usually guides the management of PEPs, in close collaboration with non-governmental organisations (Webb, 1995).

### 6.3.5 A note on South African studies on PEPs

A review of all South African research on PEPs was conducted as background to this research (see Appendix A for a detailed list and summary of the papers reviewed). The studies range from questioning the rationale and overall effectiveness of PEPs (Philip, 2012; McCord, 2003), to examining the specific effects that PEPs have on the poor (McCord and Van Seventer, 2004; Adoto and Haddad, 2002; Haddad and Adoto, 2001; Khosa, 1998). While these studies resonate with the objectives of this research, in terms of focusing on a category of people (i.e. the poor), their analyses have no locational/spatial slant. For example, Haddad and Adoto (2001) focus on the poor within the Western Cape, which is a province that is better resourced and more urban. In contrast, this study prefers to emphasise the poorer, more rural spaces in South Africa. In addition, the studies that focus on targeting and benefits to the poor date from over a decade ago, whereas this study presents an updated assessment of the manner in which PEPs target beneficiaries.

## 6.4 Research Methodology

Both qualitative and quantitative methods were used. Budget analysis was used to determine the allocations and growth rates of the EPWP and CWP, while descriptive statistics were used to evaluate the access of PEPs in relation to spatial location (that is, rural relative to urban). The outputs and outcomes were assessed against the programme targets in order to comment on the relative effectiveness of the EPWP and CWP delivery models. The data underpinning the analysis was obtained from various sources, notably annual Labour Force Surveys, Estimates of National Expenditure, and CWP and EPWP evaluation reports.

To complement the findings emerging from the quantitative analysis, targeted interviews were held with relevant stakeholders including the Department of Public Works (which administers the EPWP programme), the Department of Cooperative Governance and Traditional Affairs (which administers the CWP programme) and the National Treasury.

Distinguishing rural from urban can be complicated. However, in South Africa, the classification of municipalities includes B3s (small towns) and B4s (rural municipalities) categories that encompass the more rural municipalities. Fortunately, the data on work opportunities created is disaggregated to municipal level, and so it is possible to evaluate the EPWP and CWP in rural municipalities (i.e. B3s and B4s). The advantage of this rural/urban classification is its general acceptance and use, at least within the local government sphere. However, the disadvantage is that the classification may be somewhat outdated, having remained largely static over the years, with the only real change being the “upgrading” of two secondary cities to metropolitan status. A composite index was developed to rank provinces from rural and urban (see Appendix A). The index takes into account the number of B3 and B4 municipalities in each province. Provinces with higher composite indexes are more rural in nature than provinces with lower indexes.

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<sup>34</sup> Quasi-competitive mechanisms refer to the creation of a market-type mechanism through tendering, whereby private players (commercial and non-commercial) take over the role of government in providing service delivery.

## 6.5 Job Creation in Rural Areas

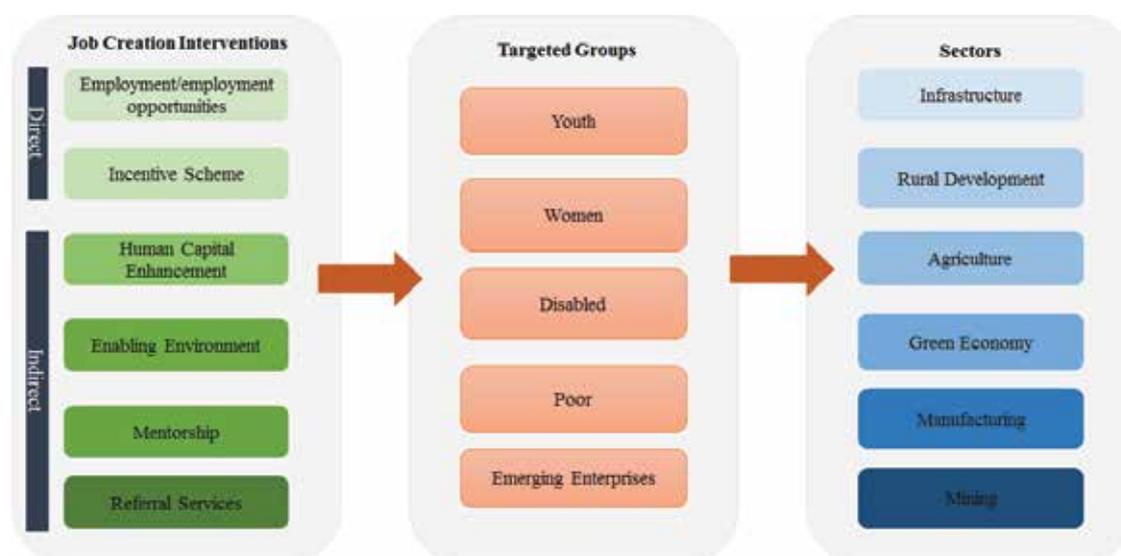
The job creation strategy in South Africa is multifaceted and covers a range of sectors, target beneficiaries and intervention modalities (Figure 49). Three important policy documents underpin the strategy: the New Growth Plan, the Industrial Policy Action Plan and the National Infrastructure Plan. The strategy balances the need to stimulate investment in key sectors with the need to tackle structural factors that are impeding inclusive growth, such as inequality, regulatory compliance costs and economic exclusion. Therefore, the strategy puts a strong emphasis on addressing the historical legacy of unequal economic opportunities, which manifests starkly throughout South Africa, especially in rural areas located in the old Bantustans.

The strategy's implementation contains interventions for creating both direct and indirect jobs. Direct interventions are spending programmes that lead directly to the creation of jobs through (for example) public employment schemes or financial incentives that support enterprises to create employment in targeted sectors. Indirect interventions are programmes that do not translate immediately into jobs but rather seek to create the necessary conditions for employment creation to occur. Moreover, it is not a given that employment will follow indirect interventions. Skills development programmes or bursary schemes are common indirect government-funded interventions, and yet the outcomes may not always justify the expenditure. For example, an unemployed individual may have successfully completed a government-funded skills programme but not find a job. This could be because of a range of factors, including a mismatch between the skills acquired and the labour market, the over-supply of candidates in a particular field, a lack of incentive to recruit, the need for prior experience and structural issues, such as labour market regulations.

The Department of Trade and Industry (the dti) coordinates the job creation strategy, supported by a core group of government departments, such as the Department of Agriculture, Forestry and Fisheries (DAFF) and the Department of Rural Development and Land Reform (DRDLR). The task of the dti and these core departments is to implement, monitor and report against the stated objectives of the strategy, while also responding to unanticipated risks that may arise. The strategy's rural indicators are to boost adult employment from 20% in 2012 to 30% in 2019, and ultimately to 40% by 2030. As an initiative to drive job creation in rural areas, the DAFF and DRDLR developed the Agriculture Policy Action Plan to provide for a specific policy response.

Table 37 illustrates job creation schemes that are being implemented across a range of government departments and agencies. Apart from the Employment Creation Fund and PEPs, most other initiatives do not have an explicit rural bias. The schemes are also not necessarily designed to absorb large numbers of unemployed individuals and have quite onerous and time-consuming compliance requirements. For instance, intensive data collection is necessary to comply with the tax incentive grant. This suggests that high compliance costs work against the intended benefits of some job creation schemes. Another concern is the funding shortages in some programmes, such as the clothing and textile programme, where competition from cheap imports makes it difficult for companies to remain competitive. With respect to PEPs, such as EPWP and CWP, the available funding is also insufficient to cover every citizen that qualifies for the programme.

**Figure 49. Job creation strategy of government**



Source: Authors (2016)

Table 37. Selected job creation programmes

Programme name	Description	IGFR implementation modality	Rural focus	Challenges	Allocation (2014/15) R-million
<b>Employment Creation Fund</b>	Set up to fund innovative and relatively higher risk projects, which are unlikely to be funded through government's normal budget processes and/or the commercial financial sector. Government agencies, NGOs and private sector within South Africa qualify under the programme criteria.	The Department of Trade and Industry (the dti) implements the programme; specialists and experts are used for project design and implementation.	Strong bias towards rural and peri-urban areas	The programme lacks capacity where those who are hired cannot fulfil the job specification. There are also bureaucracy and procurement-related challenges.	Unavailable
<b>Clothing and Textiles Development Programme</b>	Aims to encourage manufacturers to become (and remain) competitive against, for example, cheap imports or low-cost producing countries. Thus, the programme seeks to create new jobs and to preserve existing jobs in the sector. The programme has two strands: (i) Customised sector programme (ii) Clothing and textile production incentive	The dti is the parent department, and IDC is the implementing agent.	No rural dimension, although some companies that employ low-skilled individuals who have benefitted from the programme are situated in rural areas.	The programme has been well received, although the shortage of funding is a major challenge.	(i) 163.9 (ii) 723.4
<b>Employment Tax Incentive</b>	Aims to encourage employers to hire young and less experienced work-seekers. The incentive is meant as a temporary programme to stimulate demand for young workers.	SARS implements the programme.	The programme is available in all sectors (apart from the public sector) across the country.	Long data-gathering process (including tax filing, database management, verification and auditing). As this is the first time that government attempts a programme of this nature, some of these issues could be teething problems. The tax incentive may not be creating "new" jobs but rather going to jobs that would have been created in the absence of the incentive.	Unavailable
<b>Jobs Fund</b>	The programme creates jobs by supporting initiatives that generate employment in innovative ways. Grant funding is made available on a matched basis.	National Treasury has taken over as implementing agent from the Development Bank of Southern Africa (DBSA).	Most of the jobs created are in urban and peri-urban areas, as creating jobs in rural areas takes longer.	To get assistance, beneficiaries must have some available seed capital and capacity must be in place. Another challenge is meeting the funding criteria. For example, to qualify for funding, a farming project cannot have an outstanding Environmental Impact Assessment. In addition, some agricultural projects seem viable but cannot be funded because the project does not have any water rights.	1 338 913
<b>EPWP</b>	Aims to provide poverty and income relief for the unemployed through temporary work on socially useful projects. In addition, the programme provides some basic training and work experience for participants, to empower them to earn a living on an ongoing basis.	The programme is cross-cutting and implemented by all spheres of government and state-owned enterprises (SOEs). The DPW is responsible for overall monitoring and evaluation and submitting progress reports to Cabinet.	Both urban and rural	The funding for the programme is not sufficient to accommodate every citizen who qualifies for the programme. Training can be improved to offer better skills and better knowledge	
<b>CWP</b>	Similar to EPWP, the programme provides temporary work opportunities to unemployed and provides basic training and work experience. It falls under the non-state sector.	The programme is coordinated by COGTA, while NGOs implement the programme in municipal areas.	Both urban and rural	Challenges include institutionalising the CWP, getting framework agreements in place, and building the capacity for a much wider roll-out.	2 257.8

Source: Commission's compilation

## 6.6 Overview and Spending Trends of PEPs in South Africa

The persistent and structural nature of unemployment created the impetus for government to introduce a wage income safety net for the unemployed poor. At the Growth and Employment Summit in 2003, the introduction of a public works programme was seen as a critical priority. The objective was to provide wage income to large numbers of unemployed individuals through temporary work opportunities and socially useful work. In April 2004, the first phase of the EPWP was officially launched and targeted four sectors: infrastructure, environmental and culture, social and economic. In the second phase (2010–2014), the non-state sector was added, while the economic sector was largely subsumed under infrastructure. Unlike the other sectors, the CWP is located in the Department of Cooperative Governance and Traditional Affairs (COGTA), not in the Department of Public Works. As Table

38 shows, the focus of the EPWP was creating work opportunities in the infrastructure sector, but in Phase 2 the social and non-state sector absorbed a larger proportion of participants.

The EPWP is designed to be implemented across all three spheres of government. The bulk of its funding comes from the baseline budgets of government departments and municipalities. During Phase 1, a total of R49.6-billion was spent, doubling to R111-billion in Phase 2 (Table 39). Phase 2 saw the introduction of conditional grants to fund EPWP activities. These conditional grants are designed to complement departmental and municipal budgets and make up only a small share of total EPWP funding, amounting to R4.6-billion between 2009/10 and 2013/14.

**Table 38. Number of participants per sector**

	Phase 1 2004–2009	Phase 2 2010–2014
<b>Infrastructure</b>	312 227	418 006
<b>Environment and culture</b>	114 228	191 900
<b>Social</b>	119 717	272 565
<b>Economic</b>	4 745	0
<b>Non-state sector</b>		
Non-profit organisations		27 124
CWP		200 822

Source: DPW (2005; 2006; 2007; 2008; 2009a; 2010; 2011; 2012; 2013; 2014; 2015)

**Table 39. Spending on PEPs**

	Phase 1 2004/5–2008/9	Phase 2 2009/10–2013/14	Average annual real growth rate	
	R'million		2004/5–2008/9	2009/10–2013/14
<b>Total government spending (non-interest expenditure)</b>	2 243 764	4 359 817	7%	7%
<b>EPWP (total spending)</b>	49 686	111 227	75%	-9%
<b>EPWP (conditional grants)</b>	-	4 563	0%	70%
<b>CWP</b>	-	4 238	0%	89%

Source: National Treasury (2004-2014a, b, c)

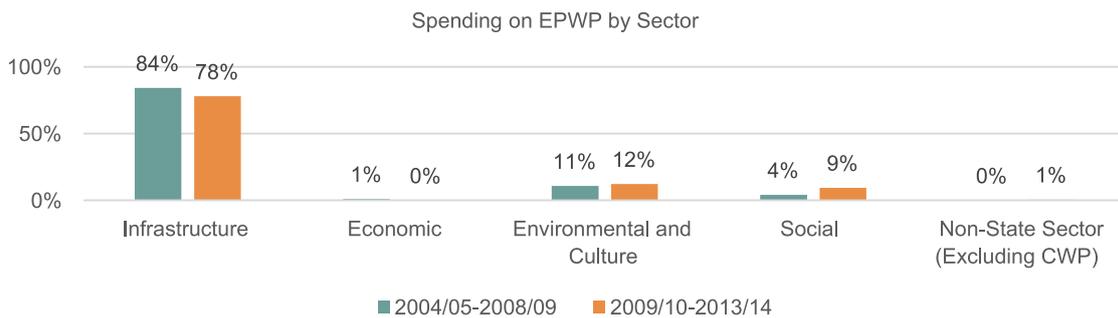
Between 2009/10 and 2013/14, the CWP received funding of R4.2-billion, which is marginally less than the EPWP grant allocations for the same period. The fiscal pressure arising from the global crisis in 2009 has led to departments and municipalities moving away from funding EPWP out of baseline budgets to using more conditional grants, which increased on average, by 70% per annum in real terms over this period. Between 2009/10 and 2013/14, CWP grew on average by 89% per annum. Spending on CWP has grown strongly because of the scaling-up of the programme's implementation in order to cushion the poor against the negative fallout of the domestic economy. CWP is growing faster than the EPWP conditional grants, suggesting that government is prioritising CWP as a vehicle for creating temporary jobs for the unemployed.

Disaggregating the EPWP by sector reveals huge variations in spending. Although the infrastructure sector

remains the most significant cost driver of EPWP, its share of total spending has declined marginally, from 84% in Phase 1 (2003/4 to 2009/10) to 78% in Phase 2 (2009/10 to 2013/14). A major weakness of the EPWP remains the short-term nature of jobs, particularly in the infrastructure sector. This means that beneficiaries often find themselves unemployed again at the end of the contract period of an infrastructure project (Philip, 2013). To remedy the situation, Phase 2 of the EPWP started targeting sectors where the jobs created could be of longer duration and more sustainable. As a result, the social sector has gained traction (Figure 50).

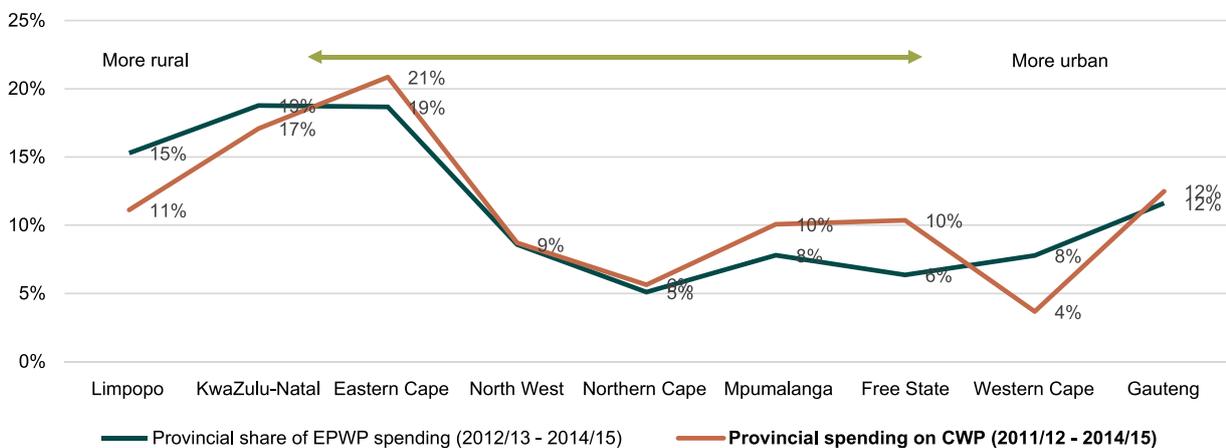
Figure 51 provides a breakdown of provincial spending on EPWP and CWP as a proportion of total spending. The provinces are arranged according to the level of "ruralness" derived from a composite index discussed in Appendix A.

**Figure 50. Spending on EPWP by sector**



Source: DPW (2010; 2014):

**Figure 51. Breakdown of provincial spending on EPWP and CWP**



Source: DPW (2015); CWP Financial Report (2012)

During the period 2011/12–2013/14, over half (53%) of EPWP spending and almost half (49%) of CWP spending occurred in the three most rural provinces (Limpopo, KwaZulu-Natal and Eastern Cape). Just over a quarter of EPWP (26%) and CWP (27%) funding was spent in the three most urban provinces (Free State, Western Cape and Gauteng). This suggests spending on the EPWP targets rural provinces more than the CWP, although the real difference is marginal. The results show that the bulk of the resources for both programmes are allocated to more rural provinces where the greater share of unemployed and poor households live.

Spending on PEPs is growing much faster than total government spending, which declined by 2% in 2016/17, as a result of the poor economic growth (Table 40). Allocations are expected to grow in real terms by 53% for the EPWP social sector grant and by 30% for CWP. This is a clear indication that government is targeting PEPs as a soft landing for the unemployed poor who are likely to face the brunt of the economic slowdown.

**Table 40. Annual growth in PEPs over the MTEF (2015/16–2018/19)**

Percentage	2015/16	2016/17	2017/18	2018/19	Average annual growth (2016/17 –2018/19)
<b>Total government spending</b>	5%	-2%	1%	2%	0%
<b>CWP</b>	40%	30%	13%	-1%	14%
<b>EPWP integrated provincial</b>	-12%	17%	-1%	0%	5%
<b>EPWP social provincial</b>	-18%	53%	1%	0%	18%
<b>EPWP integrated municipal</b>	-7%	6%	2%	0%	3%

Source: National Treasury (2016a; 2016b)

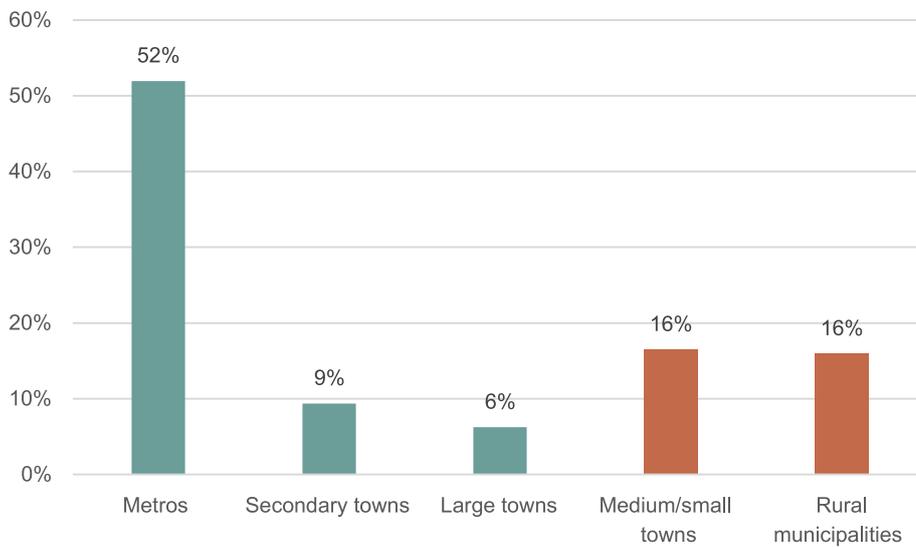
### 6.7 Access to PEPs

To gain insight into the issue of access, the location of EPWP and CWP-related work opportunities was explored. The actual number of work opportunities created according to the type of PEP (i.e. EPWP or CWP) was disaggregated by province and type of municipality over seven years, from 2008/09 to 2014/15.

#### 6.7.1 Overview of work opportunities created across EPWP and CWP

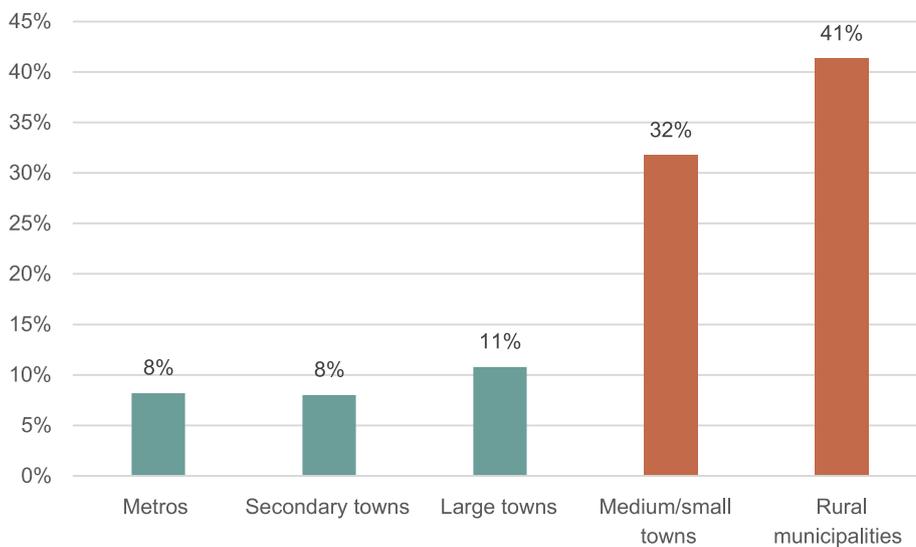
Figures 52 and 53 show the share of work opportunities created through the EPWP and CWP by type of municipal category. While most EPWP work opportunities are in metropolitan areas, CWP has a much stronger rural focus, with a significant share of its opportunities being created in more rural (B4 and B3) municipalities.

**Figure 52. Work opportunities created through EPWP (2008/09–2014/15)**



Source: DPW (2015)

**Figure 53. Job opportunities created through CWP (2012/13–2014/15)**



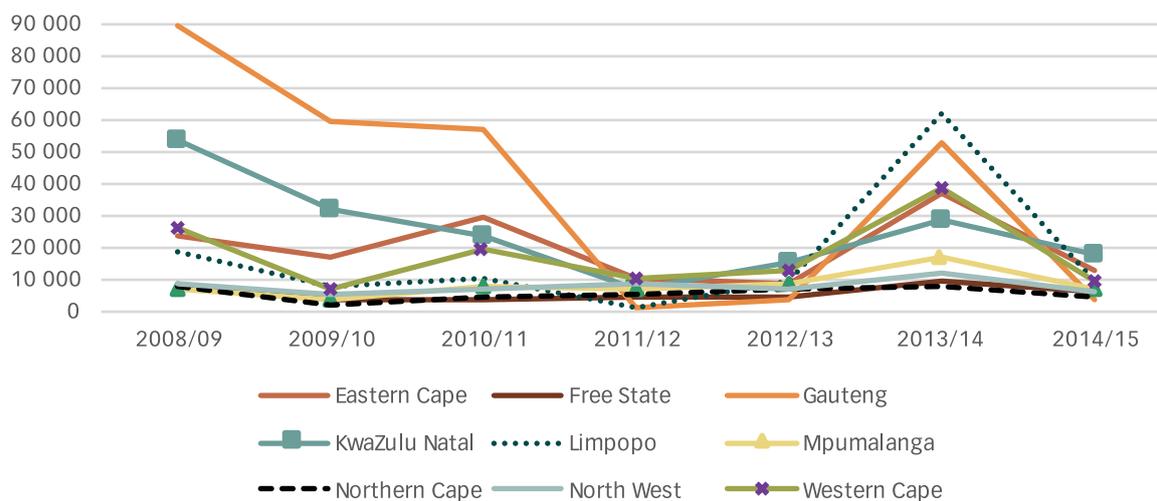
Source: COGTA (2015)

### 6.7.2 Work opportunities created via the EPWP

Figure 54 shows that the number of work opportunities created via the EPWP declined between 2008/09 (the onset of the global financial crisis) and 2012/13, with 2011/12 and

2012/13 showing particularly flat or stagnant growth. An explanation for the upswing after 2012/13 could be government's adoption of an infrastructure-led approach to growth. However, after peaking in 2013/14, the number of work opportunities created again declined.

**Figure 54. EPWP work opportunities created across the nine provinces (2008/09–2014/15)**

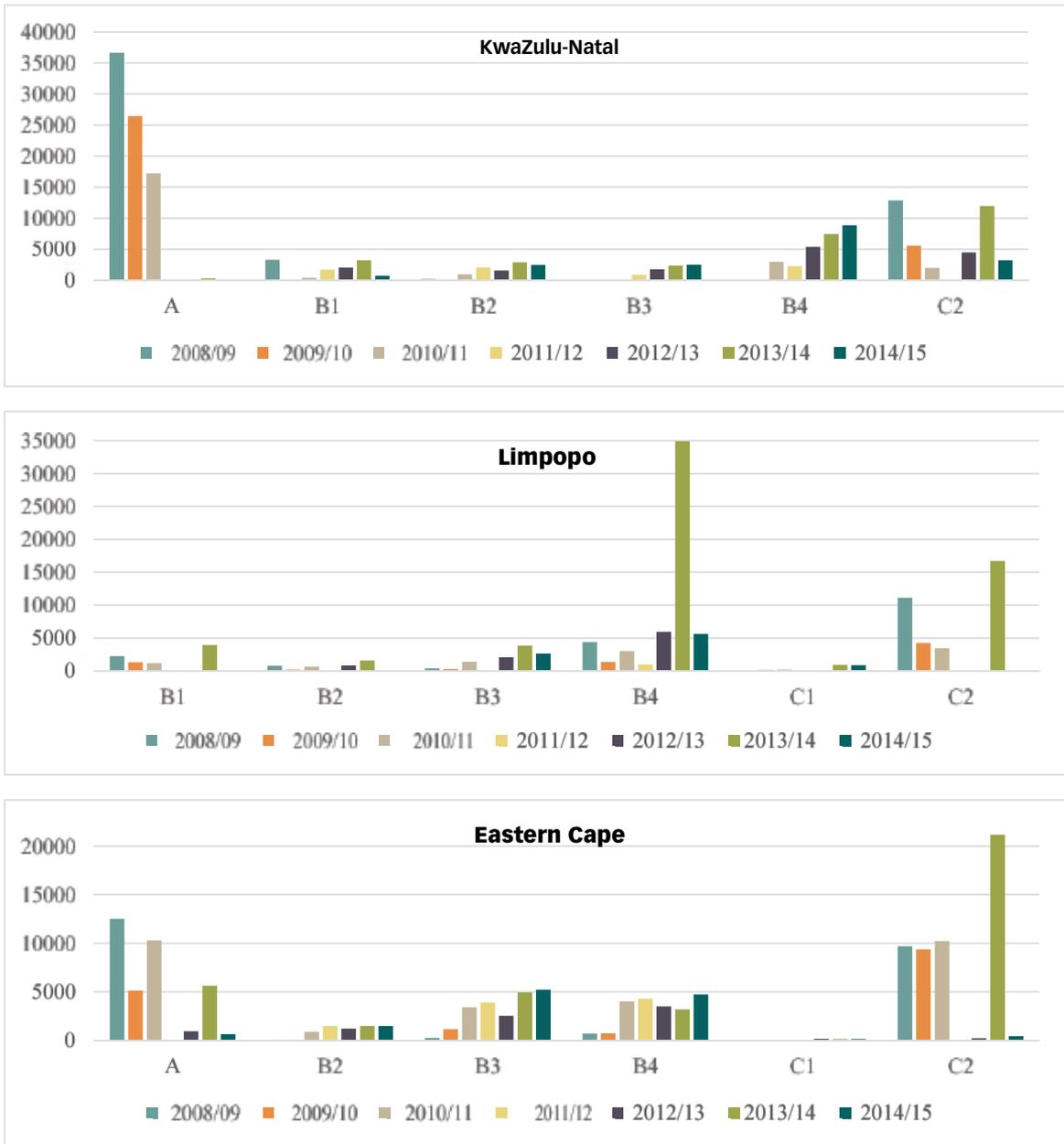


Source: DPW (2015)

Disaggregating the work opportunities created in each province to the different municipal categories provides a more nuanced picture. Figure 69 shows the work opportunities created in the three provinces that contain the highest number of rural (B4) municipalities. In KwaZulu-Natal, initially most work opportunities were created in the metropolitan areas (category A municipalities), but from 2010/11 this trend starts to shift to rural (B4) municipalities, and by 2014/15, most work opportunities are found in the

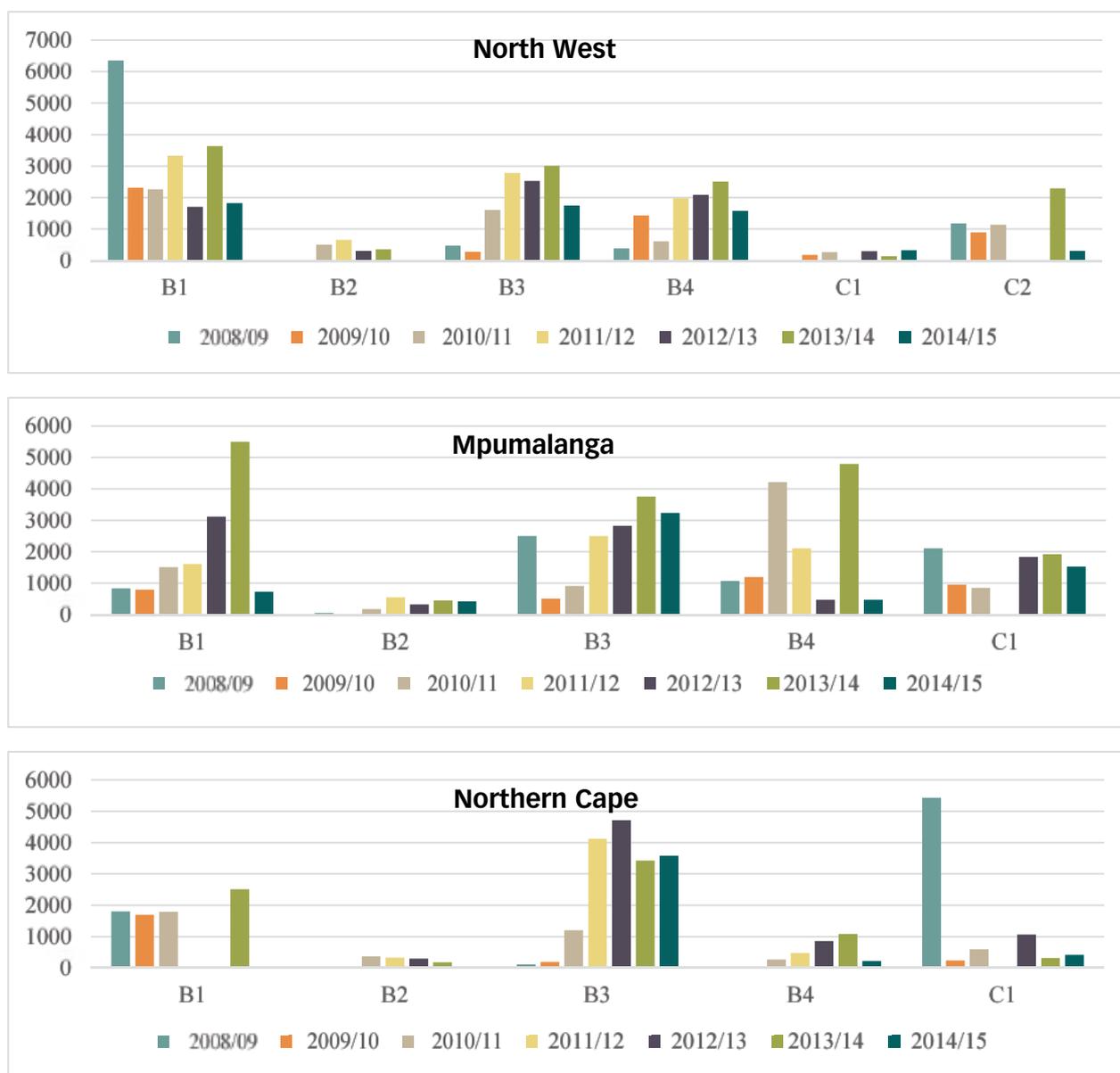
relatively more rural areas of KwaZulu-Natal. In Limpopo, work opportunities were concentrated in rural municipalities between 2008/09 and 2014/15, and especially so in 2013/14 when the number of work opportunities created were significantly higher in B4 municipalities than in other municipal categories. In the Eastern Cape, most work opportunities were created in the district municipalities, specifically the C2 municipalities (municipalities that are assigned the water function).

**Figure 55. EPWP work opportunities created across three provinces with the highest number of rural (B4 and B3) municipalities (2008/09–2014/15)**



Source: DPW (2015)

**Figure 56. EPWP work opportunities created across three provinces with thesecond highest number of rural (B4 and B3) municipalities (2008/09–2014/15)**

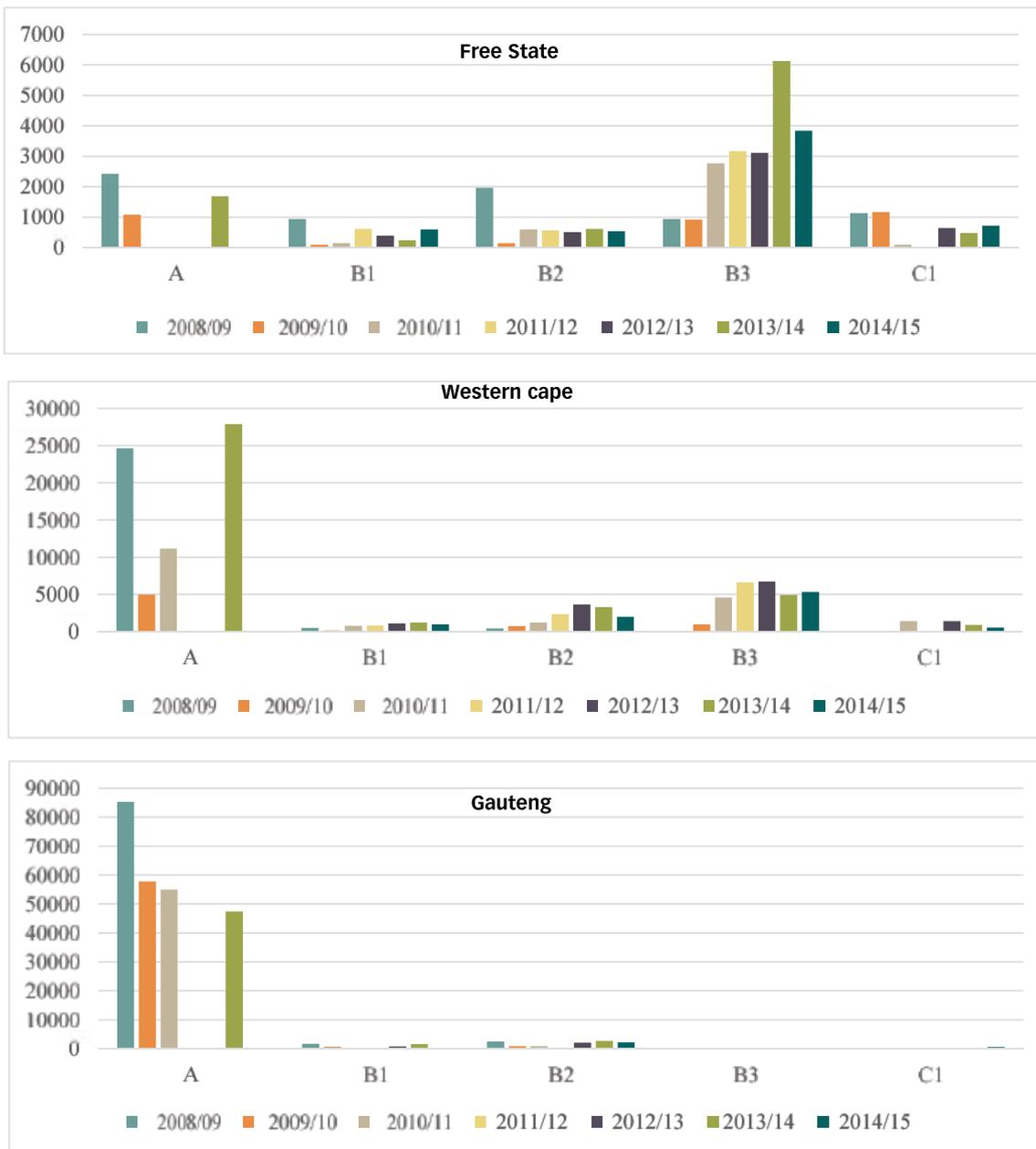


Source: DPW (2015)

Figure 56 illustrates the number of work opportunities created in the three provinces with the second highest number of rural municipalities. Between 2008/09 and 2014/15, work opportunities in the North West were concentrated in secondary cities (B1s), followed by small

towns (B3s) and rural municipalities (B4s). In Mpumalanga, work opportunities were located in the small towns and rural municipalities, while in the Northern Cape they were mostly concentrated in the small towns and (to a lesser extent) secondary cities.

**Figure 57. EPWP work opportunities created across three provinces with the least number of rural (B4 and B3) municipalities (2008/09–2014/15)**



Source: DPW (2015)

Figure 57 shows the number of work opportunities created in the three provinces with the least number of B3 and B4 municipalities. In the Free State, the greatest number of work opportunities was in the small towns (B3s), whereas in the Western Cape and Gauteng, work opportunities were almost exclusively created in the metropolitan (category A) municipalities.

### 6.7.3 Work opportunities created within CWP

Between 2012/13 and 2014/15, the most work opportunities were created in the Eastern Cape, KwaZulu-Natal and Limpopo (Figure 58). Across the nine provinces, the number of work opportunities created increased between 2012/13 and 2013/14, but declined thereafter. This pattern is similar to that of the EPWP.

**Figure 58. CWP job opportunities created across the nine provinces (2012/13–2014/15)**

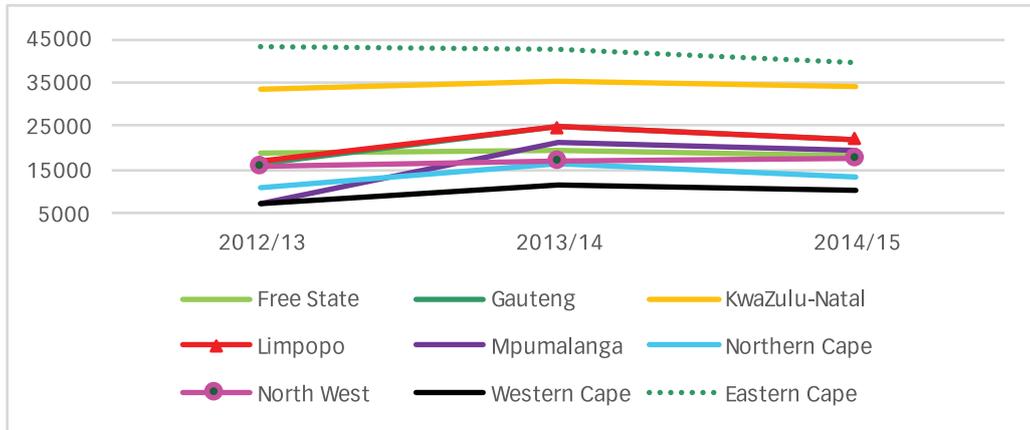
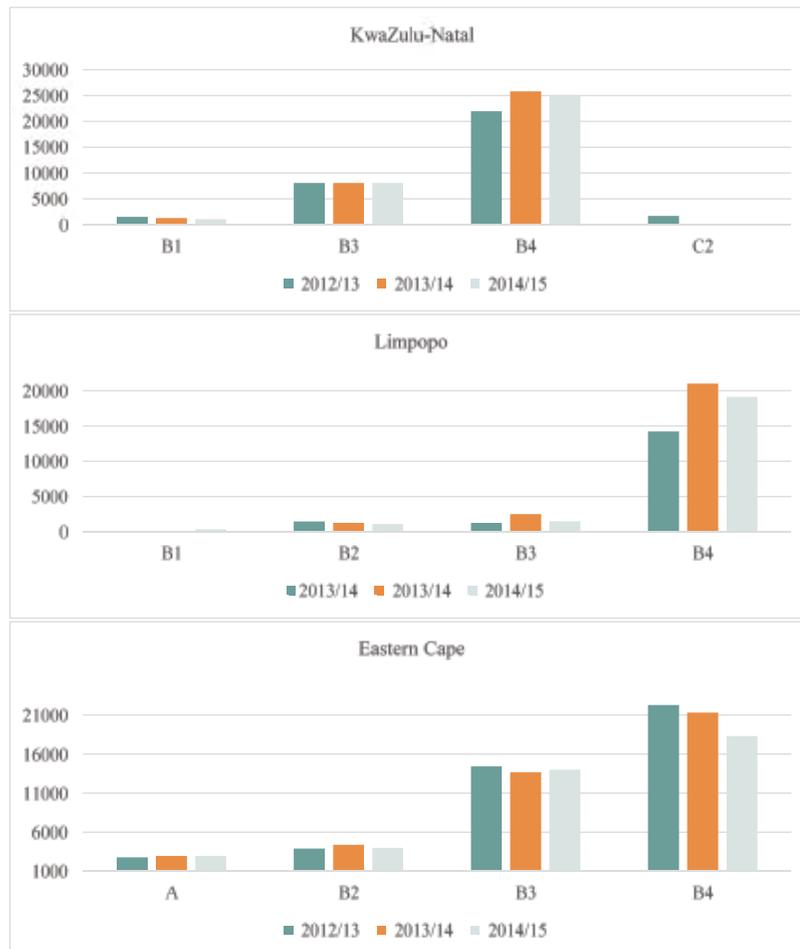


Figure 59 shows the work opportunities created through the CWP in the three provinces that contain the highest number of rural (B3 and B4) municipalities. Between 2012/13 and 2014/15, the majority of work opportunities were created in B3 and B4 municipalities.

**Figure 59. CWP work opportunities created across the three provinces with the highest number of rural (B4 and B3) municipalities (2012/13–2014/15)**



Source: COGTA (2015)

Figure 60 illustrates the number of work opportunities created in the three provinces with the second highest number of rural municipalities. Again, these opportunities were concentrated in the more rural (B3 and B4) municipalities.

**Figure 60. CWP work opportunities created across the three provinces with the second highest number of rural (B4 and B3) municipalities (2012/13–2014/15)**



Source: COGTA (2015)

Figure 61 shows work opportunities created in the three provinces that contain no B4 municipalities. Over the three-year period, most work opportunities in the Free State were created in small towns (B3s) and in metropolitan municipal-

ities (in 2014/15), and in small towns (B3s) in the Western Cape. In Gauteng, most work opportunities were created in large towns (B2s) and metropolitan (A) municipalities.

**Figure 61. CWP work opportunities created across the three provinces with the least number of rural (B4 and B3) municipalities (2012/13–2014/15)**



Source: COGTA (2015)

Table 41 outlines the design and implementation features of the EPWP and CWP, and highlights key weaknesses per programme.

**Table 41. Design and intergovernmental implementation of PEPs**

Key Dimensions of the Implementation Model	EPWP	CWP
<b>Target recipients</b>	Across all sectors, the average age of participants is 36.4 years, and on average 1% of participants are persons living with disabilities, 58% of participants are female and come from households consisting of about 5.49 people (DPW, 2009a). Participants are employed in the social sector (45.8%) the environment and culture sector (30.6%) and in the infrastructure sector (23.6%)	The CWP targets areas with high levels of unemployment and, by design, focuses largely in rural areas. CWP local reference committees establish the mechanisms for selection and the recruitment of participants. These committees comprise representatives from local government, the local community and local civic society organisations. The CWP reaches the most vulnerable members of society (DPME, 2015: 22).
<b>Identification of projects and targeting</b>	<p>Projects are identified according to specific sectors: infrastructure, environment and culture, and social sectors. At the planning and beginning of the identification process, municipalities are offered assistance, support and workshops that help them identify projects and ways to create work opportunities. Furthermore, public bodies are expected to develop a business plan that outlines how the grant will be used towards the projects and how many work opportunities the projects are intended to create.</p> <p>The major weakness in the identification process of rural projects is the influence of local elites and traditional leaders who may want to fast-track projects that serve their personal interests and may not benefit the community as a whole. Other weaknesses relate to the fact that projects are limited to certain sectors, which limits job creation, as more jobs could be created if the sectors were expanded.</p>	<p>The CWP is an area-based programme with project sites comprising various wards in a municipal area and located in areas of high unemployment and poverty levels.</p> <p>The programme prioritises labour-intensive activities (COGTA, 2011). The CWP local reference committee advises on the identification of community needs, work priorities and type of projects to implement.</p> <p>Political interference poses a major challenge in the selection of project sites and the identification of projects.</p>
<b>Employment conditions (e.g. stipend paid, number of work days, training)</b>	<p>Participants are paid a wage, which is set at a level that incentivises participation but not too high in order to avoid attracting individuals who are already employed. The duration of the work opportunity is linked to the duration of the project. Furthermore, the duration of work opportunity varies across the different sectors and spheres of government. On average, employment is six months in the environment and culture sector and four months in the infrastructure sector (DPW, 2009a). Participants receive accredited and non-accredited training, and the participants gain sector-specific skills.</p> <p>One of the weaknesses of these employment conditions is that participants are paid according to attendance and not necessarily according to the level of output/work for a day's work.</p>	<p>The programme offers participants a minimum number of regular days of work, typically two eight-hour days per week, eight days a month or 100 days a year. Although a part-time arrangement, the CWP is an on-going programme and therefore has no specific contract expiry date. Training is available to the programme participants and covers a wide range of skills in various industries.</p> <p>A widely reported weaknesses in the programme's employment conditions is the issue of non-payment by implementing agents. This could be due to the lack of banking services in rural areas.</p>
<b>Programme implementation and intergovernmental coordination</b>	<p>The EPWP is implemented by various public bodies, which include government departments, municipalities and service providers (e.g. subcontractors who only implement the labour-intensive component). Provincial steering committees, sector committees, district coordination forums and political forums in certain provinces facilitate intergovernmental engagements and coordination of the programme itself and all interactions between the departments and stakeholders or other public bodies.</p> <p>One issue is that participants do not always wanting to exit the programme at the end of the contract, which leads to labour unrest. Other implementation weaknesses are: stakeholders under-reporting work opportunities created, the money spent not equating to the reported work opportunities, full-time equivalent (FTE) targets not being met, and the incentive grant being underspent.</p>	<p>An implementing agent is appointed to develop a CWP project site, and provide financial, logistics and project management. Within each province, provincial departments in charge of local government are responsible for the planning, coordination and oversight of the programme. COGTA undertakes the overall management of the programme. Intergovernmental coordination is through local and provincial reference committees, and the CWP national steering committee. In certain municipalities, the CWP local reference committee structure is a duplication of existing structures and therefore could not be established.</p> <p>Implementation weaknesses relate to political interference and lack of good service delivery by the implementing agent in certain areas. Furthermore, it can sometimes take up to three months to authorise participants, which delays the implementation of the programme</p>
<b>Reporting</b>	<p>The DPW is responsible for reporting to Cabinet on the programme's progress, while provincial departments report to the national EPWP database.</p> <p>A major weakness in the reporting system is that work opportunities are under-reported. For example, participants require an identity document (ID) in order to be correctly captured on the system, and so for those who are part of the programme but have lost their IDs end up not being captured, which leads to the under-reporting of work opportunities. In addition, what is reported does not include the physical output, and the data reported is inconsistent. For instance the data reported by the EPWP unit differs from that reported by Stats SA.</p>	<p>Implementing agents are required to submit monthly financial and output reports, as well as EPWP monthly reports to COGTA. COGTA is responsible for reporting to Cabinet on the programme's progress.</p> <p>A weakness is that CWP data is not publicly available.</p>

## 6.8 Intergovernmental Delivery Models of PEPs

Stakeholder interviews were conducted with various national and provincial officials, and evidence was obtained from external reports in order to shed light on the effectiveness of intergovernmental delivery models in rural targeting.

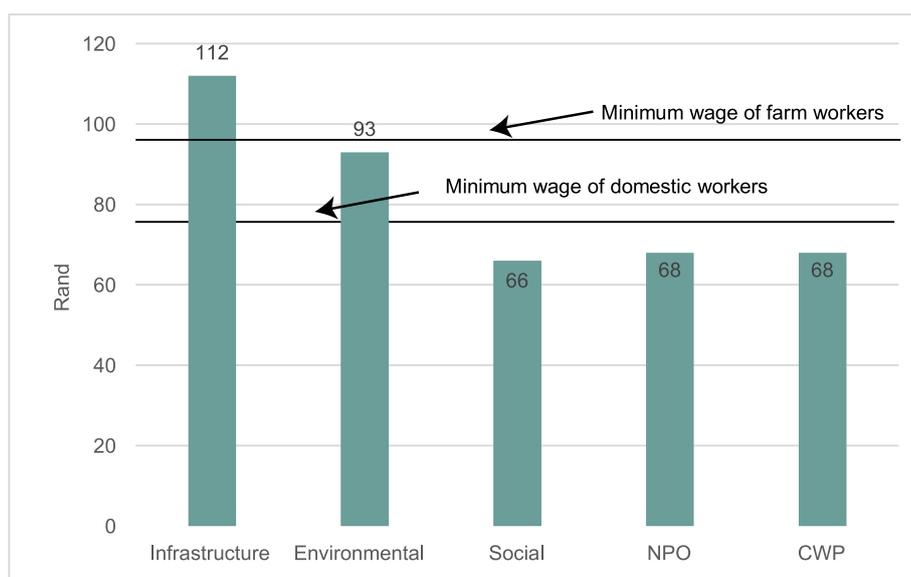
Suitable projects for the EPWP and CWP are identified in different ways. EPWP projects are sector-specific (infrastructure, environment and culture as well as social sectors), while CWP projects are area-based, with sites covering several wards in the municipal area. The CWP is a more effective programme because it is designed to suit the communities where the projects are implemented. It uses community participation to identify “useful work” and priorities. This means that the communities themselves own the assets created and the service delivered, and thus assets (such as roads, schools, libraries and clinics) would be maintained satisfactorily.

Unlike the EPWP, where the duration of employment is on average between four and six months, the CWP is a part-time arrangement but is ongoing: participants can remain on the programme for as long as they need to. This also makes the CWP less prone to labour unrest. In this regard, CWP is more effective at combating poverty – despite EPWP participants receiving training, only 25% of the participants who exit the programme get absorbed in the formal labour market, while 75% remain unemployed (Philip, 2013).

The two programmes are implemented differently. Various sector departments, municipalities and service providers implement the EPWP, whereas an implementing agent contracted by COGTA implements the CWP. The lack of technical capacity of municipalities is likely to affect the effectiveness of the EPWP. With respect to programme reporting, both programmes have weaknesses but, unlike the EPWP, CWP annual reports are not available in the public domain. Figure 62 shows the average daily rates for EPWP sectors and CWP compared to two minimum wage rates for domestic and farm workers.

In 2013/14, the daily minimum wage rate was R93 for farm workers and R77 for domestic workers. The average daily rates paid in the social and non-profit organisation (NPO) sectors of EPWP and CWP are below both minimum wage levels, although very close to the minimum wage of domestic workers. In the infrastructure sector, the daily rates are higher than both minimum wage levels, while the environmental sector’s daily rates are on par with the minimum wage level for farm workers. This suggests that some employed individuals, particularly domestic workers, could be incentivised to switch from their current employment to an EPWP work opportunity, particularly in the infrastructure and environmental sectors. The lack of resources in some sectors, such as the social and NPO sectors, means that beneficiaries are sometimes paid below the minimum rate prescribed by the ministerial determination.

**Figure 62. EPWP and CWP daily rates compared to domestic and farm workers (2013/14)**



Source: DoL (2013)

## 6.9 Effectiveness of PEPs

Table 42 compares the effectiveness of EPWP and CWP (the EPWP is disaggregated by sector in order to present a nuanced analysis). Over the three-year period, the cost of creating one full-time equivalent (FTE) is significantly lower in the CWP than in the EPWP, with the exception of the NPO sector. In addition, costs vary considerably within the EPWP. For example, in 2013/14, one FTE in the infrastructure sector cost R119,387 compared to R17,370 in the NPO sector. In other words, to create seven FTEs in the NPO sector costs the same as one FTE in the infrastructure sector. The reason for the infrastructure sector's poor performance is partly because of its low labour-intensity rate, which in 2013/14 was only 16% compared to 59% for the CWP and 89% for the NPO sector.

The results from Table 42 clearly demonstrate that, despite pumping significant resources into the infrastructure sector over the past 10 years, government has received very little value for money. In comparison, government is achieving greater value for money in the CWP and the NPO and social sectors of the EPWP. Thus, the nature of the PEP activity being funded has a critical bearing on the impact of expenditure. Activities that are more labour-intensive, such as in the NPO sector, will naturally be more cost-effective in creating jobs. However, of note is the rising cost of creating one FTE in both the NPO sector and the CWP, although the cost escalation is much higher in the CWP. These increases are a result of higher management costs and better conditions of service attached to employment.

In 2013/14, a total of just over R18-billion was spent on creating 305 000 FTE jobs through PEPs. This is significantly below the one million jobs projected for 2015 in the National Development Plan (NDP). Interestingly, if government had spent all the PEPs funds exclusively in the NPO sector, it would have achieved its target of one million jobs. Moreover, if the funds had been spent exclusively on the CWP, a total of 685 000 FTE jobs would have been created in 2013/14. Therefore, if government wants to achieve the NDP target of two million FTE jobs by 2020, the nature of spending on PEPs would need to change, especially given the weaker economy, which is unlikely to be able to maintain continued growth in allocations to PEPs.

## 6.10 Conclusions and Recommendations

Government invests large sums of funding in indirect interventions, such as training programmes and bursary schemes, but it is difficult to gauge the success of these initiatives in transitioning unemployed individuals into full-time jobs. Other than PEPs, many job creation initiatives do not have an express rural focus and are not designed to absorb large numbers of unemployed individuals into any gainful employment. This suggests that PEPs are well-designed as an employment and social safety net, targeting the unemployed poor who are unlikely to find employment, even if conditions in the economy were to improve.

Although PEPs were not established with the express intent of addressing unemployment in rural areas, the CWP appears to be more effective than EPWP at creating employment opportunities in rural areas. This suggests that attributes of the CWP could be insightful in conceptualising and implementing other government initiatives aimed specifically at the rural space.

Allocations to PEPs are insufficient to fund all qualifying beneficiaries who want to participate. Therefore, PEPs need to prioritise the most needy, especially recipients who are unemployed and without access to any type of state grant. This implies giving special priority to rural areas through the various funding instruments, as urban municipalities have a larger tax base that enables them to complement targeted transfers with own revenue to support PEPs. Rural municipalities have much smaller tax bases and are largely dependent on transfers to create jobs through PEPs.

The daily rates and work duration currently offered by the PEPs are unlikely to lift a person out of poverty. Therefore, the critical policy issue is whether PEPs are intended to be a mechanism for poverty alleviation or merely an additional source of livelihood support. If policy-makers view PEPs as a poverty-alleviation mechanism, any push to alter the conditions of services significantly could blur the distinction between job opportunities created through PEPs and employment offered through the formal labour market. However, this may be less significant in rural areas, where economic activity is low and formal sector jobs are scarce. Instead, ways of reducing the costs of rural participation should be investigated, especially in relation to access to banking facilities and re-registration processes.

**Table 42. Effectiveness of EPWP and CWP (2011/12–2013/14)**

	2011/12	2012/13	2013/14
<b>Expenditure (R'million)</b>			
Infrastructure	16 461.3	9 598.4	12 398.0
Environmental and culture	2 038.6	217.0	2 103.2
Social	1 850.1	662.0	1 932.3
NPOs	135.6	177.3	191.1
<i>CWP</i>	623.5	1 289.9	1 721.7
<b>Job opportunities</b>			
Infrastructure	374 591	N/A	391 555
Environmental and culture	164 475	N/A	205 870
Social	164 662	N/A	191 516
NPOs	39 552	N/A	51 645
<i>CWP</i>	105 218	205 494	172 000
<b>Full-time equivalents (FTE)</b>			
Infrastructure	107 491	N/A	103 847
Environmental and culture	52 203	N/A	59 076
Social	67 297	N/A	67 447
NPOs	9 974	N/A	11 003
<i>CWP</i>	33 167	52 714	64 313
<b>Cost per FTE (Rand)</b>			
<i>EPWP</i>			
Infrastructure	153 141	N/A	119 387
Environmental and culture	39 051	N/A	35 602
Social	27 491	N/A	28 649
NPOs	13 591	N/A	17 370
<i>CWP</i>	18 799	24 470	26 771
<b>Labour intensity</b>			
Infrastructure	12%	N/A	16%
Environmental and culture	40%	N/A	53%
Social	37%	N/A	58%
NPOs	70%	N/A	89%
<i>CWP</i>	59%	59%	59%

Source: ENE (2016), Public Works (2015), Presidency, 2015; Commission Calculations<sup>35, 36</sup>

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<sup>35</sup> The estimate for labour intensity was derived by dividing the expenditure on recipient wages by the total expenditure.

<sup>36</sup> To estimate FTEs, the duration of work opportunities was divided by 230 days (FTE), and then that total was multiplied by the number of work opportunities.

From a policy perspective, an important consideration for allocating resources is the potential trade-off between improved service conditions and expanding the programme. Increasing daily rates or average work durations may come at the cost of slower expansion of the programme, unless budgets are increased proportionately.

Clearly the nature of PEP spending needs to change if government is going to come close to reaching the NDP target of creating two million FTE jobs by 2020. The cost of creating job opportunities through infrastructure is unaffordable, even though government's growth strategy is infrastructure-led. More jobs can be created with fewer resources, if more funds are directed to CWP and social and NPO sectors of the EPWP, which are more labour-intensive and have activities that are easily implementable in rural areas.

A critical weakness in both the EPWP and CWP is the lack of training opportunities afforded to participants. If PEPs are going to be a vehicle for transitioning individuals into full-time employment, recipients should be provided with appropriate training, especially in entrepreneurship and business skills. These skills are more likely to encourage individuals to create their own enterprises, if the formal labour market remains rigid and is incapable of absorbing the unemployed poor.

*With respect to creating conditions for rural job creation from PEPs, the Commission recommends that:*

1. Government, through the dti, National Treasury, the Department of Social Development and the Department of Public Works, considers narrowing the focus of PEPs and using the CWP and the social and NPO sectors of the EPWP, as an explicit strategy for addressing rural poverty. Work opportunities created in these sectors are the most cost-effective and labour-intensive, and easily implementable in rural areas.
  - Ways of reducing the costs of rural participation in PEPs should be explored, including easier accessibility to services such as banks and re-registration processes.
2. Priority is given to unemployed individuals without access to a grant, as PEP funding is insufficient to cover all unemployed. At present, many participants either receive a social grant or are employed elsewhere. Government should also carefully balance the need to improve the conditions of employment and the need to expand PEPs.
3. The Department of Public Works and National Treasury ensure that EPWP grant frameworks in the Division of Revenue Act include an explicit condition that appropriate training of recipients (especially in skills that promote self-employment) is mandatory, given that only a small portion of EPWP beneficiaries transition into formal sector jobs. An assessment of microenterprises in rural areas that are viable self-employment options should be conducted and inform the roll-out of training programmes to EPWP beneficiaries.
4. Funding of job creation initiatives is viewed in an integrated way, with priority given to programmes that absorb unemployed poor individuals, especially if they are targeting high unemployment nodes in B3 and B4 municipalities.

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## Appendix

### Provincial ranking according to composite rural index

	% Share of B3 and B4 municipalities in each Province (A)	% Share of B4 municipalities in each Province (B)	Composite average of (A) and (B)	Rural ranking
EASTERN CAPE	87%	38%	63%	3
FREE STATE	75%	0%	38%	7
GAUTENG	8%	0%	4%	9
KWAZULU-NATAL	79%	54%	66%	2
LIMPOPO	92%	64%	78%	1
MPUMALANGA	67%	28%	47%	6
NORTHERN CAPE	92%	4%	48%	5
NORTH WEST	74%	26%	50%	4
WESTERN CAPE	60%	0%	30%	8

Paper/Authors	Research Question	Methodology	Data Sources (e.g. case studies/datasets used)
<b>Antonopoulos and Kim (2011)</b>	Analysing the direct and indirect job creation and the distributional impacts of social care expansion through employment, or rather, through public job creation programmes	<ul style="list-style-type: none"> <li>Social Accounting Matrix (SAM)-based multiplier analysis</li> <li>Input-output analysis at the macro level</li> <li>Use of the microsimulation model at the micro level</li> </ul>	Case studies: South Africa and the USA <ul style="list-style-type: none"> <li>The original South African SAM includes 26 productive sectors and 20 different household types decomposed by location, residence type, race and three-tiered income level</li> <li>The employment multiplier matrix is computed from the US input-output table, which includes 201 detailed industries</li> </ul>
<b>Dicks et al. (2011)</b>	Investigating the relationship between social security interventions and public employment programmes: <ul style="list-style-type: none"> <li>Identify the interaction and possible synergies between EPWP and social security transfers and explore how one or a combination of these initiatives impacts on households</li> <li>Investigate what changes could improve the manner in which these initiatives complement each other and increase their impact on reducing poverty and promoting decent work</li> </ul> Review the existing social security interventions and how these may be structured to support an employment growing economy through the Decent Work Agenda (DWA) lens	Descriptive analysis	<ul style="list-style-type: none"> <li>Survey data:               <ul style="list-style-type: none"> <li>the EPWP longitudinal survey conducted by the Department of Public Works (DPW) and the Community Works Programme (CWP) site survey by the Right to Work Programme</li> </ul> </li> <li>Informant interviews and two focus group discussions conducted by the National Labour and Economic Development Institute (NALEDI)</li> </ul>
<b>Haddad and Adato (2001)</b>	How efficiently do public works programmes transfer benefits to the poor? Put differently, how many rands of public funds does it take to transfer one rand to a poor worker?	Cost-benefit analysis; an extension of Ravallion's (1999) analytical framework which is largely based on rapid appraisal methods	Project-level data collected by the authors in the Western Cape. In particular, information on 101 public works projects conducted in the province between 1995–1997 is merged with the October household survey data from the 25 magisterial districts in which the projects were based.

Paper/Authors	Research Question	Methodology	Data Sources (e.g. case studies/datasets used)
<b>Hoddinott et al. (2001)</b>	The relationship between community participation and the efficacy of public works interventions, or rather, the impact of participation on the efficacy of public works interventions	Multivariate analysis	The data is derived from a study of public works programmes in the Western Cape, conducted between 1996 and 1998 by the International Food Policy Research Institute (IFPRI) and the Southern Africa Labour and Development Research Unit (SALDRU) at the University of Cape Town Project-quantitative and qualitative data on: <ul style="list-style-type: none"> <li>• Institutional arrangements between government, communities, and the private sector; types of community participation; project outcomes</li> </ul>
<b>Hough and Prozesky (2012)</b>	Investigating beneficiaries' desire for permanent employment in the Working for Water (WfW) programme. In particular: <ul style="list-style-type: none"> <li>• Why did beneficiaries enter the WfW?</li> <li>• Do beneficiaries engage in other employment in between contracts?</li> <li>• What are the beneficiaries' aspirations for long-term WfW employment?</li> </ul>	Multi-site case study in the Western Cape	Sampling of four WfW projects: <ul style="list-style-type: none"> <li>• Hottentots Holland (HH) NR Project;</li> <li>• Riviersonderend (RSE) Mountain Catchment Area Project;</li> <li>• Marloth NR WfW project; and</li> <li>• De Hoop NR Project</li> </ul> <p>Stratified systematic sampling was used to select a random sample of 214 beneficiaries and then face-to-face interviews were conducted</p>
<b>Khosa (1998)</b>	<ul style="list-style-type: none"> <li>• What is the relationship between the geographical distribution of the projects in various magisterial districts with the highest rate of unemployment and poverty?</li> <li>• Do the Community Empowerment Programme (CEP) funded projects reduce unemployment by creating job opportunities for both unemployed men and women?</li> <li>• Do projects result in the transfer of skills and training?</li> <li>• Do projects give rise to the creation and maintenance of physical assets in order to improve the quality of life of poor communities?</li> </ul>	Descriptive analysis: evaluation of 120 community-based public works projects in KwaZulu-Natal	<ul style="list-style-type: none"> <li>• The Independent Development Trust (IDT) database</li> <li>• Information from the regional office of the Department of Public Works in KwaZulu-Natal</li> <li>• Geographical Information System (GIS) Unit of the Human Sciences Research Council for information on poverty, unemployment and employment, water and sanitation, infrastructure existing in various magisterial districts.</li> </ul>
<b>McCord and Van Seventer (2004)</b>	The performance of public works programmes in addressing both micro-economic and macroeconomic policy objectives relating to employment, growth and poverty reduction	Microeconomic analysis and a macroeconomic analysis using the SAM model	Survey and budget data from the Gundo Lashu public works programme in the Limpopo Province collected in collaboration with the Limpopo Roads Authority. <u>Microeconomic analysis:</u> Random one-stage survey administered to 263 households within the district of Capricorn. <u>Macroeconomic analysis - using SAM:</u> Budgetary information derived from the Gundo Lashu public works programme.
<b>Philip (2012)</b>	The paper makes the case for an employment guarantee in South Africa whereby the unemployed would have a right to a minimum level of work.	A case study relating to the Indian employment guarantee system espoused under the banner of the Mahatma Gandhi National Rural Guarantee Act is used as a point of reference.	Qualitative analysis underpinned by extensive literature review and case study.